

Message Text

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ACTION EB-06

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 INRE-00 SSO-00

NSCE-00 USIE-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

FRB-01 H-01 INR-05 INT-05 L-02 LAB-01 NSAE-00 NSC-05

PA-01 RSC-01 AID-05 CIEP-01 SS-15 STR-01 TAR-01

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INFO AMEMBASSY CANBERRA

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E.O. 11652: N/A

TAGS: ETRD, OECD

SUBJECT: EXPORT CONTROL MEASURES: TRADE COMMITTEE
WORKING PARTY DISCUSSION, NOVEMBER 6

REF: A. STATE 242071

B. USOECD 26780

STATE PASS DEPUTY ASSISTANT SECRETARY GLITMAN

1. SUMMARY: TCWP REVIEWED DOCUMENTS TO BE PRESENTED TO
TRADE COMMITTEE FOR ITS MEETING NOV. 27-28 (REF B). TC
WILL BE ASKED TO CONSIDER (A) LIST OF KEY QUESTIONS FOR
POLICY CONSIDERATION, AND (B) SEVERAL SPECIFIC
SUGGESTIONS FOR FURTHER ANALYTICAL WORK. TCWP DID NOT
ENDORSE EITHER LIST. AUSTRALIA CONTINUED TO SHOW GREAT
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RELUCTANCE TO ACCEPT IMPLICATION THAT EXISTING RULES ARE

INADEQUATE OR SHOULD BE STRENGTHENED. END SUMMARY

2. THROUGHOUT THE DISCUSSION OF DOCUMENT TFD/TD/797, ON EXISTING INTERNATIONAL RULES CONCERNING EXPORT CONTROL MEASURES, THE AUSTRALIAN REP SOUGHT TO DELETE ANY STATEMENT THAT SEEMED TO IMPLY THAT EXPORT CONTROLS HAVE SIGNIFICANT TRADE EFFECTS, THAT SUCH TRADE EFFECTS HAVE RECENTLY INCREASED SIGNIFICANTLY, THAT EXISTING GATT PROVISIONS ARE INADEQUATE, OR THAT THE GATT PROVISIONS ON EXPORT CONTROL MEASURES SHOULD BE MADE MORE DETAILED. (AUSTRALIAN POINT OF VIEW IS SET OUT IN TFD/TD/8LL.) AUSTRALIA OBJECTED, FOR INSTANCE, TO STATEMENT IN PARA 3 OF TFD/TD/797 THAT MORE FREQUENT USE OF EXPORT CONTROLS HAS NOT BEEN ACCOMPANIED BY CHANGES IN THE GATT AND TO THE REFERENCE IN PARA 5 TO GATT PROVISIONS ON EXPORT CONTROLS AS IMPRECISE AND LIMITED.

3. ONLY CANADA SUPPORTED AUSTRALIAN POSITION, THOUGH OTHERS AGREED THAT PURPOSE OF THIS PAPER WAS NOT TO PRESENT JUDGMENTS ON EFFECTIVENESS OF GATT RULES CONCERNING EXPORT CONTROL MEASURES AND THAT SOME STATEMENT TO THAT EFFECT MIGHT BE INCLUDED. CHAIRMAN COMMENTED THAT PAPER IS A SECRETARIAT NOTE AND THAT THEREFORE FINAL TEXT IS RESPONSIBILITY OF SECRETARIAT. IN REDRAFTING PAPER SECRETARIAT WILL TAKE INTO ACCOUNT A NUMBER OF OTHER COMMENTS, INCLUDING THOSE OF US (REF A).

4. WP WENT MORE LIGHTLY OVER DOCUMENT TFD/TD/80L (FIRST REVISION), POINTS FOR AN ANALYTICAL STUDY OF EXPORT CONTROL MEASURES. AUSTRALIAN REP AGAIN EXPRESSED VIEW THAT DOCUMENT WENT FURTHER THAN EXPECTED OR NECESSARY, THOUGH HE ACCEPTED THAT IT COULD BE SUBMITTED TO TC AS A SECRETARIAT NOTE. JAPANESE DEL AGAIN COMPLAINED THAT JAPAN WAS BEING UNNECESSARILY SINGLED OUT IN PARA 16(A).

5. VARIOUS DELEGATIONS MADE SUGGESTIONS ON POINTS THAT MIGHT BE INCLUDED IN A PROGRAM OF FURTHER WORK ON EXPORT CONTROL MEASURES:

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(A) AUSTRALIAN REP SUGGESTED THAT TCWP STUDY EXPORT CONTROL MEASURES OF NON-OECD COUNTRIES AND THAT A NEW AND MORE COMPLETE INVENTORY BE MADE TO GET FULLER EXPLANATION OF MOTIVATION BEHIND OECD COUNTRIES' EXPORT CONTROL MEASURES. (SECRETARIAT EXPRESSED SERIOUS DOUBT ABOUT BOTH PROPOSALS, TAKING THE VIEW THAT IT WOULD BE DIFFICULT TO GET SIMILAR INFORMATION FROM NON-MEMBER COUNTRIES AND THAT A SECOND QUESTIONNAIRE WOULD BE

UNLIKELY TO ELICIT GREATER INFORMATION FROM MEMBERS THAN THE FIRST, WHICH IN SOME CASES WAS NOT FULLY ANSWERED.)

(B) AUSTRALIAN REP ALSO SUGGESTED VOLUNTARY EXPORT RESTRAINTS BE STUDIED AND NOTED IN PARTICULAR DIFFICULTIES SUCH MEASURES CAUSED FOR THIRD MARKETS.

(C) GERMAN REP SUGGESTED IT WOULD BE USEFUL FOR TCWP TO COMPARE EXPORT CONTROL MEASURES AND THEIR EFFECTS TO OTHER MEANS OF AFFECTING EXPORTS.

(D) UK SUGGESTED ANALYSIS OF THE DIFFERENT CONCEPTIONS OF "SHORTAGES" WITH REFERENCE TO THE NOTE TO PARA 22 IN DOCUMENT TFD/TD/801 (FIRST REVISION).

(E) NEW ZEALAND AND THE EC COMMISSION PROPOSED

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COMPARISON BETWEEN EXPORT CONTROL MOTIVATIONS ON THE ONE HAND AND THE EXCEPTIONS IN THE GATT, PARTICULARLY ARTICLE XX, ON THE OTHER HAND.

6. US MADE NO SUGGESTIONS FOR FURTHER ANALYTICAL WORK BUT PROPOSED THAT TC BE ASKED AT ITS NOV. 27-28 MEETING TO ADDRESS A SERIES OF BASIC QUESTIONS, SOME OF WHICH WERE IMPLIED BY INTERVENTIONS OF AUSTRALIAN AND OTHER DELEGATES. THAT LIST WILL BE DISTRIBUTED BY SECRETARIAT, WITH ADDITIONAL QUESTION PROPOSED BY GERMAN REP (E IN LIST BELOW), WITHOUT INDICATING ANY ENDORSEMENT OR DISAPPROVAL BY TCWP. LIST OF ISSUES FOR CONSIDERATION BY TC IS AS FOLLOWS:

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A. HOW SERIOUS ARE THE PROBLEMS CAUSED BY EXPORT CONTROLS IMPOSED FOR ECONOMIC REASONS, AND TO WHAT EXTENT WOULD INTERNATIONALLY AGREED GUIDELINES AND PROCEDURES HELP ALLEVIATE THESE PROBLEMS?

B. WHICH MOTIVATIONS ARE OF GREATEST CONCERN?

C. HOW MUCH FLEXIBILITY SHOULD GOVERNMENTS HAVE TO IMPOSE EXPORT CONTROLS?

D. FOR WHAT REASONS IS A COUNTRY JUSTIFIED IN IMPOSING EXPORT CONTROLS?

E. HOW COULD A SATISFACTORY BALANCE BE STRUCK BETWEEN INTERNAL MOTIVATIONS AND EXTERNAL EFFECTS OF EXPORT CONTROLS?

F. HOW CAN THE DAMAGE FROM EXPORT CONTROLS BE MINIMIZED IF THEY ARE IMPOSED?

G. HOW CAN DISRUPTIVE, SPECULATIVE OR PREEMPTIVE BUYING IN TIMES OF CRISIS, OR BEFORE IMPOSITION OF EXPORT CONTROLS, BE MINIMIZED?

H. WHAT WOULD BE A GOOD MECHANISM FOR SETTLING DISPUTES ARISING OVER THE USE OF EXPORT CONTROLS?

I. WHAT WOULD BE THE MOST APPROPRIATE FORUM FOR DEVELOPING INTERNATIONALLY AGREED GUIDELINES AND PROCEDURES? THE GATT? THE OECD? THE MTN?

7. US PROPOSALS, TAKEN FROM AMENDED POSITION PAPER FOR OCT. 2 MEETING PER REF A, PARA 2, EVOKED CONSIDERABLE INTEREST DURING AND AFTER MEETING. ALTHOUGH ISSUES

LISTED GO CONSIDERABLY BEYOND WHAT WORKING PARTY HAS BEEN ABLE TO DISCUSS SO FAR, THERE WAS NO OBJECTION TO THEIR BEING PRESENTED TO TC. AUSTRALIAN DELEGATE IN FACT SUGGESTED TO US FOLLOWING MEETING THAT ISSUES COULD BE USEFUL IN FORCING MINISTRIES IN CANBERRA TO FOCUS ON REAL PROBLEMS IN THIS AREA.

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8. PAPER ON EXISTING INTERNATIONAL RULES AND ANALYTICAL STUDY WILL BE DISTRIBUTED WITHIN NEXT TWO DAYS AS TC(74)15 AND TC(74)16.
TURNER

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